Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 492 (Substitute S-1 as reported)
Sponsor: Senator Goeff Hansen
Committee: Insurance

CONTENT

The bill would amend the Insurance Code to require a health insurance policy that provided coverage for prescribed orally administered and intravenously administered or injected anticancer mediations to ensure that treatment limitations applicable to the orally administered medications were not more restrictive than those applicable to intravenously administered or injected medications. Additionally, the health insurance policy would have to ensure either of the following:

-- That financial requirements applicable to prescribed orally administered anticancer medications were not more restrictive than those applicable to intravenously administered or injected medications covered by the policy, and that there were no separate cost-sharing requirements applicable only to the orally administered medications.
-- That the financial requirement for a 30-day supply of orally administered medication did not exceed $100 (subject to an annual adjustment for changes in the consumer price index for prescription drugs).

Except as otherwise provided, the bill's requirements would apply to health insurance policies delivered, executed, issued, amended, adjusted, or renewed in Michigan, or outside of Michigan if covering Michigan residents, after December 31, 2018.

For a health insurance policy that was a high-deductible plan, the bill's financial requirements would apply only after the minimum annual deductible specified in the Internal Revenue Code ($1,000 for self-only coverage and $2,000 for family coverage) was reached.

Proposed MCL 500.3406u Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would result in very minor increases in the cost of insurance for State and local government and would have no impact on Medicaid costs. To the extent that copayments and other out-of-pocket costs are greater for orally administered anticancer medications, the bill would reduce such costs for patients. The reduced costs would effectively be picked up by a small increase in the cost of insurance. Given the limited range of medications affected by this legislation relative to the overall cost of pharmaceuticals and health care in general, the cost increase would be nominal. The State's Medicaid program has tight limits on cost sharing for pharmaceuticals, so the legislation would have no impact on Medicaid spending.

Date Completed: 10-13-17 Fiscal Analyst: Steve Angelotti